

Fiscal Service, Treasury

§ 356.2

- 356.12 What are the different types of bids and do they have specific requirements or restrictions?
- 356.13 When must I report my net long position and how do I calculate it?
- 356.14 What are the requirements for submitting bids for customers?
- 356.15 What rules apply to bids submitted by investment advisers?
- 356.16 Do I have to make any certifications?
- 356.17 How and when do I pay for securities awarded in an auction?

Subpart C—Determination of Auction Awards; Settlement

- 356.20 How does the Treasury determine auction awards?
- 356.21 How are awards at the high yield, discount rate, or discount margin calculated?
- 356.22 Does the Treasury have any limitations on auction awards?
- 356.23 How are the auction results announced?
- 356.24 Will I be notified directly of my awards and, if I am submitting bids for others, do I have to provide confirmations?
- 356.25 How does the settlement process work?

Subpart D—Miscellaneous Provisions

- 356.30 When does the Treasury pay principal and interest on securities?
- 356.31 How does the STRIPS program work?
- 356.32 What tax rules apply?
- 356.33 Does the Treasury have any discretion in the auction process?
- 356.34 What could happen if someone does not fully comply with the auction rules or fails to pay for securities?
- 356.35 Who approved the information collections?

APPENDIX A TO PART 356—BIDDER CATEGORIES
APPENDIX B TO PART 356—FORMULAS AND TABLES

APPENDIX C TO PART 356—INVESTMENT CONSIDERATIONS

APPENDIX D TO PART 356—DESCRIPTION OF THE INDEXES

AUTHORITY: 5 U.S.C. 301; 31 U.S.C. 3102, *et seq.*; 12 U.S.C. 391.

SOURCE: 69 FR 45202, July 28, 2004, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to part 356 appear at 70 FR 57439, Sept. 30, 2005.

Subpart A—General Information

§ 356.0 What authority does the Treasury have to sell and issue securities?

Chapter 31 of Title 31 of the United States Code authorizes the Secretary of the Treasury to issue United States obligations, and to offer them for sale with the terms and conditions that the Secretary prescribes.

§ 356.1 To which securities does this circular apply?

The provisions in this part, including the appendices, and each individual auction announcement govern the sale and issuance of marketable Treasury securities issued on or after March 1, 1993. This part also governs all securities eligible for the STRIPS (Separate Trading of Registered Interest and Principal of Securities) Program (See § 356.31.). In addition, these provisions and the auction announcements govern any other types of securities we may issue under this part.

§ 356.2 What definitions do I need to know to understand this part?

13-week bill means a Treasury bill where the security description is “13-Week Bill” as referenced on the Treasury auction announcement.

Accrued interest means an amount that bidders must pay to us for interest income as part of the settlement amount. Accrued interest compensates us up front for interest that bidders will be paid but did not earn because it is attributable to a period of time prior to the issue date. (See appendix B, section I, paragraph C of this part for additional explanation and examples.)

Adjusted value means, for an interest component stripped from an inflation-protected security, an amount derived by:

- (1) Multiplying the semiannual interest rate by the par amount, and then
- (2) Multiplying this value by: 100 divided by the Reference CPI of the original issue date (or dated date, when the dated date is different from the original issue date). (See appendix B, section IV of this part for an example of how to calculate the adjusted value.)